

# Weekly Report

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WEEK ENDING DEC. 2, 1955

VOL. XIII, No. 48, PAGES 1245-1256

## DEPRESSED AREAS

Congress to Legislate Domestic Aid  
'Point Four' Program for 1956

### OF SPECIAL INTEREST :

EDUCATION PARLEY  
BACKS FEDERAL HELP

THREE CONGRESSMEN  
ANNOUNCE RETIREMENT

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### THE WEEK IN CONGRESS . . . . .

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*The Authoritative Reference On Congress*

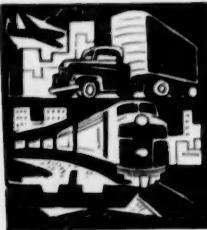
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## Congressional Quiz

1. Q--A big fight over transportation is shaping up for next year. Has the percentage of goods carried by railroads -- competing with trucks, ships, and other carriers -- increased or decreased in recent years?

A--The railroads' proportion of ton-miles carried decreased from 73 percent in 1930 to 53 percent in 1953. But it should be noted that while the trains' share fell, the total volume of goods transported by all carriers more than doubled in the same period -- so the absolute number of ton-miles carried by trains has increased.



2. Q--True or false: It cost more than \$10 million to elect the current Congress.

A--True. According to a Congressional Quarterly tabulation, spending reported to House and Senate officials by candidates and political committees engaged in the 1954 Congressional election totaled \$13.7 million. And probably an equal amount was not reported to Congress.

3. Q--Nine states will elect state-wide "At Large" Representatives to Congress in 1956. Name four -- and score 1 point for each you name.

A--The nine are: Connecticut, Delaware, Nevada, New Mexico, North Dakota, Texas, Vermont, Washington, Wyoming.

4. Q--Everyone's heard about Gettysburg -- site of the Civil War battle, where President Eisenhower has his farm and the "temporary White House." In what state is Gettysburg located?

A--Pennsylvania.

5. Q--There's lots of talk about the Vice Presidency nowadays. Can you name the Vice Presidential running mates of these recent candidates for President (1 point for each correct answer): (a) Willkie, 1940; (b) Roosevelt, 1940; (c) Roosevelt, 1944; (d) Dewey, 1944; (e) Dewey, 1948; (f) Stevenson, 1952.

A--(a) Sen. Charles McNary (Ore.); (b) Henry A. Wallace (Iowa); (c) Sen. Harry S. Truman (Mo.); (d) Sen. John W. Bricker (Ohio); (e) Earl Warren (Calif.); (f) Sen. John J. Sparkman (Ala.).

6. Q--Income tax time isn't far off. In the House of Representatives, the committee mainly responsible for tax measures is the Committee on: (a) Banking and Currency; (b) Appropriations; (c) Ways and Means; (d) Government Operations.

A--Proposals involving taxes and other revenue, customs, reciprocal trade, etc., are under the jurisdiction of the Ways and Means Committee.

NOTE: CQ Weekly Report pages on which additional data may be found: (1) 1183; (2) 369

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## DOMESTIC AID PROGRAM SLATED FOR 1956

The principal index used in defining non-agricultural depressed areas in the United States is the Bimonthly Summary of Labor Market Developments in Major Areas, prepared by the Bureau of Employment Security, Department of Labor. This report classifies these areas according to the degree of unemployment. The current classification system, adopted in May, 1955, groups areas into six major labor supply categories, designated as Groups A through F. These reflect the level of unemployment, expressed as a percentage of the total labor force, as follows: A, less than 1.5 percent; B, 1.5-2.9 percent; C, 3.0-5.9 percent; D, 6.0-8.9 percent; E, 9.0-11.9 percent; F, 12.0 percent or more. Areas in Groups D, E, and F, are considered to have a "substantial labor surplus." According to the Bimonthly Summary for November, 19 of the 149 major labor market areas have a substantial labor surplus, ranging upward from 6 percent of the total labor force. Three of these are in Puerto Rico. The remaining 16 are distributed through 11 states, with five in Pennsylvania. In addition, the November report lists, as having a substantial labor surplus, 74 smaller areas in 23 states. These areas are not part of the regular classification program. (For the 19 major and 74 smaller areas, see table, page 1246.)

In September, 1954, 51 of the 149 major areas had a substantial labor surplus. This figure dropped to 44 in January and to 26 in September. Meanwhile, the number of smaller areas with a substantial labor surplus dropped from 105 in May to 101 in July, 94 in September, and 74 in November.

### Administration Approach

President Eisenhower, in his Economic Report of January, 1955, said:

"Last year, although the economy as a whole was prosperous, some communities suffered from sizable unemployment. Their fortunes turned for the better when recovery got underway in the early fall,.... In some places, however, unemployment stems from special causes,.... Such 'structural' or 'spot' unemployment may remain even when the nation's economy practically reaches full employment.

"The federal government should be willing to assist depressed communities to develop workable solutions of their problems. Accordingly, the Area Development Program of the Department of Commerce...should be...strengthened...It is also desirable to continue the policy of granting special tax amortization benefits for new defense facilities located in surplus labor areas and of placing government contracts as far as feasible in these areas."

### Area Development Program

The Office of Area Development, Business, and Defense Services Administration, Department of Commerce, is the government's chief agency for counseling depressed areas. Set up in 1946, the Office consists of

15 persons, with a fiscal 1956 budget of \$127,000. Before passing the Commerce Department appropriation bill June 16, the Senate accepted an amendment by Sen. Karl E. Mundt (R S.D.) earmarking \$345,000 for area development, but the amendment later was eliminated in conference. (Weekly Report, p. 717). The Office conducts research on location factors in various industries, and advises depressed areas on ways and means of attracting new industry, as well as how to take advantage of the government's tax amortization and procurement policies.

The Office of Defense Mobilization may grant "additional accelerated tax amortization for new or expanded facilities in areas of substantial labor surplus" if these facilities were essential to mobilization goals. In practice, ODM might decide that 50 percent of the investment in a \$1 million plant is defense-connected, thus permitting the owner to write off \$500,000 of his capital investment over five years, under the rapid tax amortization plan. If the plant is located in a surplus labor area, ODM might add from 10 to 25 percent to the basic allowance. As of Nov. 25, ODM had approved 55 tax amortization certificates for facilities to be located in surplus labor areas. Total cost of these facilities is \$210 million, and they will provide 10,000 permanent jobs, exclusive of construction work.

Under ODM's Defense Manpower Policy No. 4 (revised), "Federal procurement agencies are directed to make 'set-asides'...for negotiation with firms in labor surplus areas which must meet the prices established through the competitive formal buying procedure." During the first six months of 1955, this policy helped direct more than \$1 billion in defense contracts to surplus labor areas, but the third-quarter total dropped to \$76 million.

### Douglas Bill

On July 28, Sen. Paul Douglas (D Ill.) introduced a "depressed areas" bill (S 2663). Provisions included a \$100-million loan fund to cover up to two-thirds of the cost of constructing new plants; \$100 million in grants for public works; vocational retraining for the unemployed; an additional 13 weeks of unemployment benefits for persons accepting retraining; a Depressed Areas Administration with power to deal directly with local industrial development committees.

Point No. 10 of the 13-point legislative program proposed Nov. 21 by Senate Majority Leader Lyndon B. Johnson (D Texas) called for "a program to relieve critical depressed areas on the basis of federal and state cooperation, including tax measures to encourage industry; additional public works; supplementary unemployment insurance; and surplus food grants."

On Nov. 23, the Low-Income Families Subcommittee of the Joint Committee on the Economic Report concluded hearings on the problems of low-income groups among the rural and urban populations. Commissioner

(turns to page 1248)

# Political Geography of Distressed Labor Areas

State, Area, County	District	Incumbent	Vote Percentage		State, Area, County	District	Incumbent	Vote Percentage	
			1954	1952				1954	1952
<b>ALABAMA</b>									
Alexander City									
Coosa	4	Roberts (D)	X	X	Corbin				
Tallapoosa	5	Rains (D)	X	X	Clay	8	Siler (R)	63.4	68.8
Anniston					Knox	8	Siler (R)	63.4	68.8
Calhoun	4	Roberts (D)	X	X	Laurel	8	Siler (R)	63.4	63.8
Decatur					Whitley	8	Siler (R)	63.4	63.8
Morgan	8	Jones (D)	91.6	87.3	Frankfort				
Florence-Sheffield					Anderson	4	Chelf (D)	X	55.9
Colbert	8	Jones (D)	91.6	87.3	Franklin	6	Watts (D)	60.9	56.3
Franklin	7	Elliot (D)	78.9	72.5	Woodford	4	Chelf (D)	X	55.9
Lauderdale	8	Jones (D)	91.6	87.3	Hazard				
Jasper					Breathitt	7	Perkins (D)	60.4	58.2
Walker	7	Elliot (D)	78.9	72.5	Letcher	7	Perkins (D)	60.4	58.2
					Perry	7	Perkins (D)	60.4	58.2
<b>ARKANSAS</b>									
Fort Smith					Henderson				
Crawford	3	Trimble (D)	X	56.0	Henderson	2	Natcher (D)	X	54.4
Sebastian	3	Trimble (D)	X	56.0	Union	2	Natcher (D)	X	54.4
Le Flore (Okla.)	3	Albert (D)	83.3	77.9	Lexington				
Sequoyah (Okla.)	2	Edmondson (D)	64.7	59.2	Fayette	6	Watts (D)	60.9	56.3
<b>CONNECTICUT</b>					Madisonville				
Danleison					Hopkins	2	Natcher (D)	X	54.4
Windham	2	Seely-Brown (R)	50.7	58.5	Muhlenburg	1	Gregory (D)	X	65.8
					Webster	2	Natcher (D)	X	54.4
<b>ILLINOIS</b>					Middlesboro-Harlan				
Harrisburg					Bell	8	Siler (R)	63.4	68.8
Gallatin	25	Gray (D)	52.6	56.2(R)	Harlan	8	Siler (R)	63.4	68.8
Hardin	25	Gray (D)	52.6	56.2(R)	Leslie	8	Siler (R)	63.4	68.8
Pope	25	Gray (D)	52.6	56.2(R)	Morehead-Grayson				
Saline	25	Gray (D)	52.6	56.2(R)	Carter	6	Watts (D)	60.9	56.3
White	23	Vursell (R)	52.9	58.1	Elliott	7	Perkins (D)	60.4	58.2
Herrin-Murphysboro-West Frankfort					Greenup	5	Spence (D)	61.0	55.4
Franklin	25	Gray (D)	52.6	56.2(R)	Rowan	6	Watts (D)	60.9	56.3
Jackson	25	Gray (D)	52.6	56.2(R)	Owensboro				
Johnson	25	Gray (D)	52.6	56.2(R)	Davies	2	Natcher (D)	X	54.4
Perry	25	Gray (D)	52.6	56.2(R)	Paintsville-Prestonsburg				
Union	25	Gray (D)	52.6	56.2(R)	Floyd	7	Perkins (D)	60.4	58.2
Williamson	25	Gray (D)	52.6	56.2(R)	Johnson	7	Perkins (D)	60.4	58.2
Litchfield					Knott	7	Perkins (D)	60.4	58.2
Macoupin	21	Mack (D)	54.8	52.4	Magoffin	7	Perkins (D)	60.4	58.2
Montgomery	23	Vursell (R)	52.9	58.1	Martin	7	Perkins (D)	60.4	58.2
Mount Carmel-Olney					Pikeville-Williamson				
Edwards	23	Vursell (R)	52.9	58.1	Pike (Ky.)	7	Perkins (D)	60.4	58.2
Lawrence	23	Vursell (R)	52.9	58.1	Mingo (W. Va.)	5	Kee (D)	67.5	63.8
Richland	23	Vursell (R)	52.9	58.1					
Wabash	23	Vursell (R)	52.9	58.1	<b>MAINE</b>				
Mount Vernon					Biddeford-Sanford				
Jefferson	23	Vursell (R)	52.9	58.1	York (part)	1	Hale (R)	52.1	61.6
Wayne	23	Vursell (R)	52.9	58.1					
<b>INDIANA</b>									
Michigan City-La Porte					<b>MARYLAND</b>				
La Porte	3	Crumpacker (R)	50.4	54.5	Cumberland				
South Bend*					Allegany	6	Hyde (R)	51.4	57.8
Saint Joseph	3	Crumpacker (R)	50.4	54.5	Mineral (W. Va.)	2	Staggers (D)	55.0	51.5
Terre Haute*									
Vigo	6	Harden (R)	52.5	55.7	<b>MASSACHUSETTS</b>				
Vincennes					Lawrence*				
Knox	7	Bray (R)	55.4	56.1	Essex (part)	5	Rogers (R)	X	75.9
						6	Bates (R)	71.2	X
<b>KANSAS</b>						7	Lane (D)	X	74.7
Pittsburg					<b>LOWELL*</b>				
Cherokee	3	George (R)	55.4	59.5	Middlesex (part)	5	Rogers (R)	X	75.9
Crawford	3	George (R)	55.4	59.5	Milford				
					Norfolk (part)	14	Martin (R)	62.0	63.2
					Worcester (part)	3	Philbin (D)	X	67.3
						14	Martin (R)	62.0	63.2
					<b>MASSACHUSETTS</b>				
					Southbridge-Webster				
					Worcester (part)	3	Philbin (D)	X	67.3

State, Area, County	District	Incumbent	Vote		Percentage	
			1954	1952	1954	1952
<b>MICHIGAN</b>						
Escanaba						
Delta	11	Knox (R)	54.9	59.3		
Menominee (part)	11	Knox (R)	54.9	59.3		
Schoolcraft	11	Knox (R)	54.9	59.3		
Iron Mountain						
Dickinson	12	Bennett (R)	55.9	58.2		
Iron	12	Bennett (R)	55.9	58.2		
Florence (Wis.)	8	Byrnes (R)	62.0	73.6		
Marinette (part) (Wis.)	8	Byrnes (R)	62.0	73.6		
Marquette						
Marquette	12	Bennett (R)	55.9	58.2		
<b>MINNESOTA</b>						
Duluth-Superior*						
St. Louis (part)	8	Blatnik (D)	71.8	62.6		
Douglas (Wis.)	10	O'Konski (R)	59.7	67.4		
<b>NEW JERSEY</b>						
Atlantic City*						
Atlantic (part)	2	Hand (R)	63.6	63.4		
Cape May (part)	2	Hand (R)	63.6	63.4		
Bridgeton						
Atlantic (part)	2	Hand (R)	63.6	63.4		
Cumberland	2	Hand (R)	63.6	63.4		
Salem	1	Wolverton (R)	54.3	55.0		
Long Branch						
Monmouth (part)	3	Auchincloss (R)	57.6	64.4		
Ocean (part)	3	Auchincloss (R)	57.6	64.4		
<b>NEW YORK</b>						
Amsterdam						
Montgomery	32	Kearney (R)	61.5	67.4		
<b>NORTH CAROLINA</b>						
Asheville*						
Buncombe	12	Shuford (D)	61.5	56.9		
Durham*						
Durham	6	Durham (D)	74.2	69.5		
Fayetteville						
Cumberland	7	Carlyle (D)	81.2	X		
Kinston						
Lenoir	2	Fountain (D)	X	94.8		
Mount Airy						
Surry	5	Chatham (D)	66.2	X		
Rocky Mount						
Edgecombe	2	Fountain (D)	X	94.8		
Nash	4	Cooley (D)	X	75.3		
Shelby-Kings Mountain						
Cleveland	11	Jones (D)	67.5	63.0		
Waynesville						
Haywood	12	Shuford (D)	61.5	56.9		
Jackson (part)	12	Shuford (D)	61.5	56.9		
<b>OHIO</b>						
Athens-Logan-Nelsonville						
Athens	10	Jenkins (R)	61.7	64.0		
Hocking	10	Jenkins (R)	61.7	64.0		
Cambridge						
Guernsey	15	Henderson (R)	54.0	64.3(D)		
Noble	15	Henderson (R)	54.0	64.3(D)		
Marietta						
Monroe	15	Henderson (R)	54.0	64.3(D)		
Washington	15	Henderson (R)	54.0	64.3(D)		
<b>OKLAHOMA</b>						
McAlester						
Pittsburg	3	Albert (D)	63.3	77.9		
<b>PENNSYLVANIA</b>						
Altoona*						
Blair	20	Van Zandt (R)	56.3	62.8		
<b>PENNSYLVANIA (cont.)</b>						
Berwick-Bloomsburg						
Columbia (part)	17	Bush (R)	56.5	61.1		
Clearfield-DuBois						
Centre (part)	20	Van Zandt (R)	56.3	62.8		
Clearfield	20	Van Zandt (R)	56.3	62.8		
Jefferson (part)	23	Gavin (R)	61.9	67.8		
Erie*						
Erie	24	Kearns (R)	52.0	57.1		
Indiana						
Indiana	22	Saylor (R)	51.9	52.4		
Johnstown*						
Cambria	22	Saylor (R)	51.9	52.4		
Somerset	18	Simpson (R)	55.9	63.5		
Kittanning-Ford City						
Armstrong	22	Saylor (R)	51.9	52.4		
Lewistown						
Junata	16	Mumma (R)	59.8	61.7		
Mifflin	18	Simpson (R)	55.9	63.5		
Lock Haven						
Clinton	17	Bush (R)	56.5	61.1		
Pottsville						
Carbon (part)	15	Walter (D)	61.6	54.8		
Schuylkill	12	Fenton (R)	55.5	60.7		
Scranton*						
Lackawanna	10	Carrigg (R)	50.5	53.6		
Sunbury-Shamokin-Mt. Carmel						
Columbia (part)	17	Bush (R)	56.5	61.1		
Montour	17	Bush (R)	56.5	61.1		
Northumberland	12	Fenton (R)	55.5	60.7		
Snyder	18	Simpson (R)	55.9	63.5		
Union	18	Simpson (R)	55.9	63.5		
Uniontown-Connellsville						
Fayette	26	Morgan (D)	65.3	59.1		
Wilkes-Barre-Hazleton*						
Luzerne	11	Flood (D)	50.9	50.2(R)		
<b>RHODE ISLAND</b>						
Providence*						
Bristol	1	Forand (D)	59.2	54.9		
Kent (part)	2	Fogarty (D)	60.4	53.4		
Providence (part)	1	Forand (D)	59.2	54.9		
	2	Fogarty (D)	60.4	53.4		
Washington (part)	1	Forand (D)	59.2	54.9		
Bristol (part) (Mass.)	14	Martin (R)	62.0	63.2		
Norfolk (part) (Mass.)	14	Martin (R)	62.0	63.2		
Worcester (part) (Mass.)	3	Philbin (D)	X	67.3		
<b>SOUTH CAROLINA</b>						
Marion-Dillon						
Dillon	6	McMillan (D)	X	X		
Marion	6	McMillan (D)	X	X		
Walterboro						
Colleton	1	Rivers (D)	X	X		
Dorchester	1	Rivers (D)	X	X		
<b>TENNESSEE</b>						
Bristol-Johnson City-Kingsport						
Carter	1	Reece (R)	62.5	65.9		
Sullivan	1	Reece (R)	62.5	65.9		
Washington	1	Reece (R)	62.5	65.9		
Washington (Va.)	9	Jennings (D)	50.5	51.7(R)		
City of Bristol (Va.)	9	Jennings (D)	50.5	51.7(R)		
La Follette-Jellico-Tazewell						
Campbell	2	Baker (R)	58.0	68.9		
Claiborne	1	Reece (R)	62.5	65.9		
<b>TEXAS</b>						
Texarkana						
Bowie	1	Patman (D)	X	X		
Miller (Ark.)	4	Harris (D)	X	X		

State, Area, County	District	Incumbent	Vote Percentage	
			1954	1952
<b>VERMONT</b>				
Burlington	1	Prouty (R)	61.4	71.8
Chittenden	1	Prouty (R)	61.4	71.8
Grand Isle (part)				
<b>VIRGINIA</b>				
Big Stone Gap-Appalachia				
Lee	9	Jennings (D)	50.5	51.7(R)
Wise	9	Jennings (D)	50.5	51.7(R)
Covington-Clifton Forge				
Alleghany	6	Poff (R)	62.3	51.5
Bath	7	Harrison (D)	74.2	79.1
Botetourt (part)	6	Poff (R)	62.3	51.5
City of Clifton Forge	6	Poff (R)	62.3	51.5
Radford-Pulaski				
Bland	9	Jennings (D)	50.5	51.7(R)
Floyd	6	Poff (R)	62.3	51.5
Giles	9	Jennings (D)	50.5	51.7(R)
Montgomery	6	Poff (R)	62.3	51.5
Pulaski	9	Jennings (D)	50.5	51.7(R)
Wythe	5	Tuck (D)	X	X
City of Radford	6	Poff (R)	62.3	51.5
Richlands-Bluefield				
Buchanan	9	Jennings (D)	50.5	51.7(R)
Dickenson	9	Jennings (D)	50.5	51.7(R)
Russell	9	Jennings (D)	50.5	51.7(R)
Tazewell	9	Jennings (D)	50.5	51.7(R)
<b>WASHINGTON</b>				
Tacoma*				
Pierce	6	Tollefson (R)	55.2	59.8
<b>WEST VIRGINIA</b>				
Beckley				
Raleigh	6	Byrd (D)	62.7	55.6
Bluefield				
Mercer	5	Kee (D)	67.5	63.8
Charlestown*				
Fayette	3	Bailey (D)	58.9	53.4
Kanawha	6	Byrd (D)	62.7	55.6
Clarkburg				
Harrison	3	Bailey (D)	58.9	53.4
Fairmont				
Marion	1	Mollohan (D)	52.7	52.9
Logan				
Logan	6	Byrd (D)	62.7	55.6
Boone	6	Byrd (D)	62.7	55.6
Lincoln	4	Burnside (D)	50.2	53.3(R)
Morgantown				
Monongalia	2	Staggers (D)	55.0	51.5
Parkersburg				
Calhoun	3	Bailey (D)	58.9	53.4
Pleasants	4	Burnside (D)	50.2	53.3(R)
Ritchie	3	Bailey (D)	58.9	53.4
Wirt	3	Bailey (D)	58.9	53.4
Wood	4	Burnside (D)	50.2	53.3(R)
Point Pleasant-Gallipolis				
Jackson	4	Burnside (D)	50.2	53.3(R)
Mason	4	Burnside (D)	50.2	53.3(R)
Putnam	4	Burnside (D)	50.2	53.3(R)
Gallia (Ohio)	10	Jenkins (R)	61.7	64.0
Meigs (Ohio)	10	Jenkins (R)	61.7	64.0
Ronceverte-White Sulphur Springs				
Greenbrier	5	Kee (D)	67.5	63.8
Monroe	5	Kee (D)	67.5	63.8
Welch				
McDowell	5	Kee (D)	67.5	63.8

\* Major labor market areas.

X-No major party opposition.

(R) or (D) in 1952 column indicates districts which switched parties in 1954.

(turns from page 1245)

of Labor Statistics Ewan Clague testified that only a combination of federal-state aid and private initiative would solve problems of low income areas. (Weekly Report, p. 1243)

## White House Plans

On Oct. 24, Dr. Arthur F. Burns, Chairman of the Council of Economic Advisers, announced that the President would ask Congress in 1956 for a domestic version of the Point Four technical assistance program to aid the nation's chronically depressed areas. Burns said the program would call for a new federal agency to coordinate matters, a technical assistance phase, and a loan fund. Congressional Quarterly learned the following details of the program:

- The new agency, tentatively called the Federal Development Administration, would be in the Department of commerce.
- Some \$3 million would be asked for technical assistance, essentially an expansion of the present Area Development Program.
- A revolving fund of \$50 million would be asked for loans to local development groups. However, loans may be limited to no more than 20 percent of the cost of projects, the balance to be raised by communities from state, local, and private sources.
- No grants for public works were contemplated.

## Political Background

The Administration's decision to propose a major salvage program reflects pressure brought by a number of Republican Congressmen from districts hard hit by chronic unemployment. This pressure increased following the 1954 Congressional election, when Democrats captured a number of seats largely because of the unemployment problem. When Burns announced the intention to present a plan, Sen. Ralph Flanders (R Vt.) commented: "The Republicans...have at least as much stake as the Democrats in some program to aid these distressed situations. I'm sorry its political possibilities as well as its human possibilities were not recognized sooner by the Republicans."

Analysis of the 19 major and 74 smaller areas with substantial labor surplus showed they covered 200 counties in 27 states and were within the boundaries of 79 Congressional districts. In some districts, the surplus labor area included only one county; in others as many as 10. The following table shows what happened in these 79 districts in the 1954 election.

	Democrats	Republicans
Present incumbents	43	36
Districts in which winning party got higher percentage of vote in '54 than in '52	20	2
Districts in which winning party got smaller share of vote in '54 than in '52	2	31
No opposition in '54	8	1
No opposition in '52	2	1
No opposition in '52 or '54	7	0
New seats won in '54	4	1
Marginal districts won by less than 55 percent of vote in '54	6	12



## Pressures on Congress

### In This Section...

- Lobbyists Get Senate Questionnaire
- Manpower Group Cites Need for Schools
- For America Switches to Politics

### LOBBYIST QUESTIONNAIRE

Sen. John F. Kennedy (D Mass.) Nov. 28 sent questionnaires to more than 200 registered lobbyists seeking their views on changes in the Federal Regulation of Lobbying Act of 1946. (Weekly Report, p. 1129)

Kennedy, Chairman of the Government Operations Reorganization Subcommittee, said he intended to hold hearings on the Act "early in the next session." The questionnaire asked lobbyists to comment on:

- Worthwhileness and affect of the registration requirement.
- Methods used to lobby.
- Coverage under existing law.
- Adherence to registration and reporting requirements.
- Contingent-fee lobbying contracts.
- Requirements that lobbyists show proof of their authority to represent others.
- Determination of lobby policies.
- Affect of court decisions on lobby reporting.
- Representation before executive agencies in connection with legislative policies.
- S 2308, a bill to amend the existing law introduced by Kennedy last session. (Weekly Report, p. 770)

### MANPOWER REPORT

A Nov. 25 National Manpower Council report said better high schools and more spending for education would raise the level of American skills. Summarizing findings of a council-sponsored conference, the report said "improvement of the Nation's secondary school system...is...the key to broadening the base for skill acquisition" and necessary to step up economic progress and strengthen national security. This follows warnings by scientific and educational leaders that the United States has a shortage of scientists and engineers. (Weekly Report, p. 1254)

The council, established in 1951 by President Eisenhower when he headed Columbia University, is a private group of educators, editors, labor leaders, and industrialists studying U.S. manpower problems.

### CEP FARM VIEWS

The Conference on Economic Progress Nov. 26 said the nation's farmers needed a "national prosperity budget" to end their "depressed" state, and recommended:

Restoring 90 percent of parity farm price supports for 1956 crops as an emergency measure.

Combining "income or production payments" with price supports "as soon as feasible."

Paying farmers for withdrawing up to 8.5 million acres from production by 1960.

Realigning price and income support programs to give more help to family-size farms.

Liberalizing food distribution plans in the U.S. and abroad, including subsidization of food consumption by U.S. needy.

The study committee, headed by ex-Chairman Leon Keyserling of the Council of Economic Advisers, said its plan would cost about 4 percent of the federal budget by 1960.

### FOR AMERICA PROGRAM

Ret. Brig. Gen. Bonner Fellers, national director of For America, Nov. 28 said the group has "abandoned" its "educational" program in favor of a "political action" platform. Fellers said the change was brought about by a Sept. 19 ruling of the Internal Revenue Bureau that contributions to the group would not be tax exempt. (Weekly Report, pp. 1198, 1128) The new platform called for:

- Enacting the Bricker amendment.
- Reorganizing the United Nations into a group of non-Communist states or forcing the U.S. to withdraw.
- Enacting the Reed-Dirkson amendment to limit Congressional taxing power.
- Limiting foreign spending.
- Adopting the proposals of the (Second) Hoover Commission for the Organization of the Executive Branch of the Government.
- "Safeguarding...complete and exclusive" control of education by local governments.
- Upholding the McCarran-Walter Immigration Act.

### PRESSURE POINTS

**NATURAL GAS** -- Gas utilities executives Nov. 25 announced formation of the Council of Local Gas Companies to fight the Harris-Fulbright bill, which would remove natural gas producers from federal control. Council Chairman is John Heyke, president of the Brooklyn Union Gas Co. Firms listed as definite members were New York's Consolidated Edison Co., Long Island Lighting Co., New Jersey's Public Service Electric & Gas, United Gas Improvement Co. of Philadelphia, Philadelphia Electric Co., Commonwealth Natural Gas Co., Norfolk, Va., and the five operating subsidiaries of Consolidated Natural Gas in Ohio, Pennsylvania, and West Virginia.

**FARM PLANS** -- Chairman Allen J. Ellender, Sr. (D La.), of the Senate Agriculture Committee Nov. 23 asked leaders of major farm groups to agree on legislative proposals before Congress reconvened. Ellender wrote the American Farm Bureau Federation, the National Grange, the National Farmers' Union, the National Council of Farmer Cooperatives and the National Milk Producers' Association. The Milk Producers group invited farm leaders to meet Dec. 12 in Washington to study recommendations.



## Political Notes

### EISENHOWER CANDIDACY

Republican National Chairman Leonard W. Hall Nov. 28, after his first conference with President Eisenhower since the latter's heart attack, said he was "very much encouraged" about the prospects of the President's seeking a second term. Hall said Mr. Eisenhower's plans were not discussed at the meeting but added, "I think he will run if he feels he is able.... As far as I am concerned there is no other candidate." He predicted that if the President ran again, Richard M. Nixon would be the Vice Presidential candidate and the ticket would win even more convincingly than it did in 1952. Former Colorado Gov. Dan Thornton (R), a close personal friend of Mr. Eisenhower's, Nov. 30 predicted he would announce for re-election "if he continues his amazing recovery."

### DEMOCRATIC RACE

Adlai E. Stevenson, mending political fences in Florida, became the center of an intra-party argument about his Nov. 20 plea for "moderation" in the 1956 campaign. (Weekly Report, p. 1224)

Michigan's Gov. G. Mennen Williams (D) Nov. 26 said, "It is upsetting now to hear from our side counsels for a pause for breath-taking and moderation -- counsels which I find difficult to believe can be seriously considered as Democratic party policy." Stevenson Nov. 28 said, "Perhaps (Williams) criticized my speech without reading it. I think my record in combat for the Democratic party in Illinois and the nation is the best answer to Williams' loose language." Williams Nov. 29 said he had studied carefully Stevenson's speech and differed with him on "specific programs and policies."

Former President Harry S. Truman Nov. 27 commented: "If you're referring to drinking, then moderation is a good thing.... However, in political campaigns...it is best to go after the opposition hammer and tongs." Rep. Hale Boggs (D La.) Nov. 23 endorsed Stevenson as "the finest candidate...in many years," said he would carry every state in the South.

New York Gov. Averell Harriman, on a speech-making swing through western states, Nov. 22 traded compliments with Sen. Wayne Morse (D Ore.), who said Harriman "has all the qualifications to lead the nation in 1956." In Idaho Nov. 23, Harriman called for 90 percent of parity farm supports, criticized Administration power policies including the "scandalous giveaway" of the Hells Canyon site. Harriman was endorsed Nov. 26 by Rep. Francis E. Walter (D Pa.), an outspoken foe of Stevenson.

Sen. Estes Kefauver (D Tenn.), visiting Senate Majority Leader Lyndon B. Johnson (D Texas) Nov. 23, said he was "very much inclined to make the race" for the Democratic Presidential nomination. Kefauver, like Harriman and Stevenson, gave general endorsement to Johnson's 13 point program for Congress. (Weekly Report, p. 1241)

### THREE CONGRESSMEN RETIRED

Rep. Clifford R. Hope (R Kan.), ranking Republican Member of the Agriculture Committee, Nov. 25 announced he would not seek re-election to the 5th District seat he had held since 1926. Hope said he would practice law with his son in Garden City, Kan. Marvin A. Harder, of Wichita, Kansas Democratic state chairman, said recently his party would have a good chance to capture the seat "if only Cliff Hope doesn't run again." Hope received 64.9 percent of the vote in 1954.

Hope's retirement would make Rep. August H. Andresen (R Minn.) the senior Republican on the Agriculture Committee, transferring that important position from a wheat belt spokesman to a Representative from a predominantly dairy farming district. Both Hope and Andresen voted in the past against the Administration's flexible supports program.

They furnished two of the 21 Republican "yea" votes May 5 when the House passed, 206-201, a bill (HR. 12) to restore 90 percent supports. Both men voted against flexible supports when they were authorized by Congress in 1954. (Weekly Report, p. 516; 1954 Almanac, p. 140)

### THEIR STANDS

Hope was an advocate of the two-price system for wheat, guaranteeing high, rigid supports for the portion of the crop used for domestic human consumption and permitting the remainder to go into the cattle feed and export market at whatever price it could command. Andresen Nov. 28 listed a five point program for agriculture: a "soil bank" plan for taking acres out of cultivation and placing them in conservation programs; a gradual increase in top parity support levels for dairy products as the surplus dropped; use of half the proceeds of the tariff on dairy imports to promote consumption of American dairy products at home and abroad; use of public health standards for milk and cream to encourage consumption of quality products; and a bar on low quality products receiving benefits of price supports and other agricultural programs.

Measuring their over-all performance in 1955, Congressional Quarterly scored Hope 66 percent on Eisenhower Support, 22 percent Eisenhower Opposition; Andresen, 49 percent Support and 51 percent Opposition. On Party Unity, Hope scored 52 percent and Andresen 74 percent.

### CRUMPACKER, BIBLE

Rep. Shepard J. Crumpacker (R Ind.), Nov. 29 announced his decision not to run again. Crumpacker was elected to the last three Congresses from the Third District, in 1954 with 50.4 percent of the vote. His district included South Bend, which replaced its Republican mayor with a Democrat in the Nov. 8 election.

Crumpacker said he wanted to "get established in something more stable and permanent than political office." Crumpacker, in 1955, scored 68 percent on Eisenhower Support, 27 percent Opposition, and 61 percent on Party Unity.

Sen. Alan Bible (D Nev.) Nov. 29 said he would step down in 1956 to "the quieter role of private life." Bible was elected in 1954 to complete the term of his late law partner, Sen. Pat McCarran (D). He won by 58.1 percent of the vote. In 1952, Bible was defeated in the Democratic Senatorial primary by Thomas B. Mechling, a political unknown. He faced primary opposition in 1956. In his first year in the Senate, Bible supported President Eisenhower 65 percent of the time, opposed him 27 percent, and had a Party Unity score of 73 percent.

## FARM POLICY

The Democratic National Committee's special advisory committee on agriculture Nov. 24 called for "restoration of farm price supports at not less than 90 percent of parity," aid to the Rural Electrification Administration and other cooperatives, expansion of the school lunch program, increased exports and lower interest rates on farm loans.

Secretary of Agriculture Ezra Taft Benson Nov. 23 said he would refuse to consider a return to 90 percent parity, added "all the decline in farm prices we've had up to this fall's harvest took place under rigid supports." Benson endorsed a "special version of a soil bank," involving payments to farmers for switching land from surplus commodities to soil-building crops. Sen. Arthur V. Watkins (R Utah) Nov. 27 called upon his fellow Republicans to "take the offensive" in backing Benson and the Administration farm policies.

## PARTY POLLS

A poll of 250,000 persons in every state but Connecticut by Republican women precinct workers showed most of 1952's Eisenhower voters and many who supported Stevenson were satisfied with the Republican Administration's performance. The poll results were released Nov. 2 by the women's division of the Republican National Committee. Of the Eisenhower supporters, 81.9 percent approved Administration foreign policy, 65.4 percent its defense measures, and 74 percent its economic policy. Stevenson voters scored it 51.4, 55.6, and 36.3 percent in the three fields. Those who voted for neither candidate in 1952 ranked the Administration 66.1, 62.3, and 55.1 percent effective in foreign affairs, defense, and economics.

The Democratic National Committee polled 1,600 party officials from ex-President Truman to county officers on the issues of the 1956 campaign and found "falling farm prices" the most potent topic. "Tax favoritism for the rich" came in second, "public power giveaways" third. The remainder of the top 10 issues, as listed by the Democrats: favoritism in big business; misconduct in government; rising cost of living; small business failures; GOP anti-labor policy; inadequate schools; growth of monopolies. Members of Congress listed the big business

issue first, tax policy second, and farm income third. (For CQ's poll of Congressmen on the issues, Weekly Report, p. 993)

## PIONEER PARTY

In Milwaukee, Wis., 30 delegates to the founding convention of a new political group, the Pioneer party, Nov. 28 named Sen. William Langer (R N.D.) their candidate for President. The Pioneer party was founded by the America Rally, a self-described nonpartisan educational association, whose executive secretary, Burr McCloskey of Chicago, was its nominee for Vice President. The platform called for a return to constitutional government and demilitarization.

## STATE ROUNDUP

**COLORADO** -- State Sen. Edgar A. Elliff of Sterling Nov. 19 was elected Republican state chairman, succeeding Charles A. Haskell of Englewood, who resigned in September after being indicted on a charge of failing to file a federal income tax return in 1951.

**ILLINOIS** -- Stephen A. Mitchell, 52, of Chicago, former chairman of the Democratic National Committee, Nov. 26 said he was a candidate for the Democratic nomination for governor.

**NEW JERSEY** -- Sen. Clifford P. Case (R), proposed as a "favorite son" candidate for the Republican Presidential nomination, Nov. 23 said he had "no ambitions along this line whatsoever."

**NEW YORK** -- Rep. Daniel A. Reed (R) Nov. 28 said he would seek re-election in the 43rd District.... The Lexington Democratic Club, official party organization in the home district of Democratic National Committeeman Carmine G. DeSapio, Nov. 23 voted to support Adlai E. Stevenson for President, instead of backing DeSapio's choice, New York Gov. Averell Harriman (D).

**OHIO** -- Rep. A.D. Baumhart, Jr. (R), former executive director of the Republican National Committee, Nov. 29 said he would be a candidate for re-election in the 13th District.

**WASHINGTON** -- After a campaign pegged to the public vs. private power issue, residents of rural Stevens County Nov. 26 voted more than 2-1 to buy power from the private Washington Water Power Co. rather than the Stevens County Public Utility District.

**WISCONSIN** -- Gov. Walter J. Kohler (R) Nov. 26 vetoed a Republican-sponsored bill to change the boundary lines of the fourth and fifth Congressional Districts in Milwaukee County. Democrats had claimed the change was designed to gerrymander the Fifth District, currently represented by Rep. Henry S. Reuss (D).... Republican leaders in Appleton Nov. 26 said they were "completely surprised" when Sen. Joseph R. McCarthy (R) nominated, as acting postmaster, Thomas Miller, who had been convicted of violating gambling and prohibition laws. Postmaster General Arthur E. Summerfield Nov. 30 said Miller "lacks the minimum requirements" for the job, named Edward R. Pirner, Appleton's assistant postmaster, to fill the post temporarily.

### DIXON-YATES CONTRACT

The Atomic Energy Commission Nov. 23 ruled that the cancelled Dixon-Yates contract was invalid "by reason of a violation of law and of public policy with respect to conflict of interest," and the AEC would not pay any costs incurred by Dixon-Yates during negotiations.

The "conflict of interest" charge involved Adolphe H. Wenzell, New York banker, who was a part-time consultant to the Budget Bureau while the First Boston Corp., of which he was senior vice president, was acting as financial advisor for the Dixon-Yates interests -- Midland South Utilities, the Southern Company, and the Mississippi Valley Generating Company. (Weekly Report, p. 950)

The AEC ruling was based on an opinion by its general counsel, William Mitchell, who said on the basis of Wenzell's role, "there is substantial question as to the validity of the contract which can only be settled in the courts."

Edgar H. Dixon, head of the Utility company, Nov. 23 said, "We will promptly file an appropriate action in the courts and are confident of the outcome."

Chairman Estes Kefauver (D Tenn.) of the Senate Judiciary Antitrust and Monopoly Subcommittee which investigated the contract, Nov. 24 said he would explore the "criminal side" of the negotiations.

### WOC CODE TIGHTENED

President Eisenhower Nov. 28 issued Executive Order No. 10647 tightening "conflict of interest" regulations for businessmen serving the government without compensation (WOCs). The order confined WOCs to advisory roles and specifically prohibited them from making recommendations. It also barred them from participating in any decisions which would benefit their private employers or companies in which they had an interest.

Rep. Emanuel Celler (D N.Y.) Nov. 29 said it was "regrettable" the order did not cover WOCs hired under laws other than the Defense Production Act.

Sen. Estes Kefauver (D Tenn.) Nov. 28 said "It's about time the Eisenhower Administration decided that government consultants should have the same high standards of conduct as other government employees". That's what we tried to tell the President over a year ago in connection with the Dixon-Yates deal."

### ICC BANS SEGREGATION

The Interstate Commerce Commission Nov. 25 ordered banned by Jan. 10 racial segregation of interstate passengers on trains and buses and in public waiting rooms.

Transit officials in Louisiana, Alabama, Georgia, and South Carolina indicated they would continue to enforce state segregation rules. In Texas, however, railroad officials said there had been "no segregation in years."

The ICC ruling was the outcome of two cases. One a segregation complaint by Sarah Keys, New York beautician, against a North Carolina bus line; the other a complaint by the National Association for the Advancement of Colored People against 13 railroads.

### FOREIGN POLICY DEBATE

United States foreign policy seemed headed for heavy debate in the 1956 election year after a 1955 Congressional session characterized by bipartisan action.

In a Nov. 29 plea for restraint from "partisan excesses" in any foreign policy discussion, Secretary of State John Foster Dulles said "a new high" in bipartisanship had been in effect during the Democratic 84th Congress.

Dulles' statement was borne out by CQ's foreign policy roll-call vote analysis which showed 90 percent of the 1955 Senate foreign policy roll calls were bipartisan; thus found a majority of both parties in agreement. Senate bipartisanship during the Republican 83rd Congress measured 72 percent. The 1955 House average was 60 percent; Senate and House averaged 82 percent.

The 1955 Democratic record of bipartisanship on foreign affairs was better than the GOP record; Senate Democrats scored 73 percent, Senate Republicans 74 percent. In the House, Democrats in 1955 scored 80 percent, Republicans, 68 percent. (Weekly Report, p. 1110)

#### STEVENSON AND HARRIMAN

Dulles' call for restraint came after speeches by Adlai E. Stevenson (Nov. 11 at Charlottesville, Va., and Nov. 19 at Chicago) and New York Gov. Averell Harriman (D) (Nov. 21 at Seattle) criticizing Administration foreign policy.

Stevenson, announced candidate for the 1956 Democratic Presidential nomination, called the U.S. international position "more perilous than it has been since Korea."

In "three years of incompetence and short-sightedness" marked by "appeasement of Republican factions and diplomacy conducted for domestic political reasons," Harriman said, there were "great gaps between official words and official actions...flashy slogans...ill-conceived experiments and irresponsible statements." He called the handling of the Indochina problem a "classic in the history of bungling." The Geneva Conference last July, he said, was "a great Communist victory."

#### CAUTION COUNSELED

Leadoff Republican critic of Democratic discussion of foreign policy was Harold E. Stassen, President Eisenhower's Special Assistant on Disarmament Problems. Returning from Europe Nov. 20, Stassen said our allies were "puzzled and perplexed" by Stevenson's "voice of strange dissent" on foreign policy.

Chairman Walter F. George (D Ga.) of the Foreign Relations Committee and Senate Majority Leader Lyndon B. Johnson (Texas) urged restraint in campaign discussion of foreign policy questions. "We must assure the world," said George Nov. 24, "that our foreign program will go on substantially as it is, regardless of who wins or loses in 1956."

But after President Eisenhower "approved" George's statement Nov. 25, and Nixon Nov. 27 hailed it as

"statesmanlike," George Nov. 28 said he did not mean to bar "constructive criticism, legitimate debate" or discussion of "inept acts." Democratic speeches up to then did not violate his canon, he said.

#### "MISTAKES" TO BE ISSUE

Ex-Pres. Harry S. Truman Nov. 26 said Administration "mistakes" in foreign policy "must" be made an issue of the next campaign. He accused Republicans of putting foreign policy "into the political arena."

Dulles Nov. 29 warned against "partisan excesses" which might "endanger our nation." He said "constructive criticism" and the example set by Republicans in past Presidential campaigns constituted "a very sound and admirable record to follow."

Stevenson Dec. 1 said: "I hope we Democrats have a higher concept of what constitutes partisan excesses than the Secretary.... In 1952 the Republicans not only shamelessly exploited the Korean war politically and denounced the Democratic Administration...as virtually subversive, but the Secretary himself...labeled the containment policy as 'immoral'."

Democratic National Chairman Paul Butler Nov. 28 said Democrats would meet Republicans "more than half-way" if they would not exploit foreign policy for partisan advantage. But Sen. George Nov. 20 said he did not believe it "practical to declare any phase of foreign policy off bounds in the campaign."

Chairman James P. Richards (D S.C.) of the House Foreign Affairs Committee Nov. 30 said Republicans would be "naive" to expect criticism of foreign policy to be kept out of the 1956 campaign.

#### MRS. BUCHANAN DIES

Rep. Vera Daerr Buchanan of Pennsylvania's 30th District died Nov. 26 in McKeesport Hospital, Pa., where she had been a cancer patient since Aug. 25. She was 53.

Born in McKeesport, Mrs. Buchanan was the widow of former Rep. Frank Buchanan (D Pa., 1946-51) who died April 27, 1951. She was elected July 24, 1951, to fill the vacancy in the then 33rd District caused by the death of her husband. She was re-elected in 1952 and 1954 to the House by wide margins.

A Democrat and strong backer of labor, Mrs. Buchanan served most recently on the House Banking and Currency Committee. CQ's figures showed her party-unity score was 68 percent in 1955 and 97 percent in 1954. Her illness was a factor in the lower 1955 percentage. Her Eisenhower Opposition score was 32 percent in 1955, her Eisenhower Support score, 46 percent. (Weekly Report, pp. 1011, 1072)

She was the second Democratic congressman to die in 1955. Rep. John D. Dingell of Michigan's 15th District (1933-55) died Sept. 19. (Weekly Report, p. 1078)

#### ICC HEAD QUIT

Chairman Hugh W. Cross of the Interstate Commerce Commission resigned Nov. 25 because of the "uncertain condition of my own health" and that of his wife. He said otherwise he would have remained to "defend to the end against the baseless charges which have been made against me before a Congressional committee."

The Senate Government Operations Permanent Investigations Subcommittee queried Cross in closed sessions about his having allegedly used his official powers to help out a friend who operated a transport service between Chicago railroad stations. Subcommittee Chairman John L. McClellan (D Ark.) Nov. 25 said "I don't think it's necessary now to proceed (with the investigation) any further."

Cross, a Republican, was lieutenant governor of Illinois from 1940 to 1948. He was appointed by former President Harry S. Truman to the ICC April 8, 1949. Commission members elected him chairman July 1, 1955.

### CONGRESSIONAL BRIEFS

#### REDS HOLD CONGRESSMEN

East German police Nov. 27 held Reps. Harold C. Ostertag (R N.Y.) and Edward P. Boland (D Mass.) in custody for four hours in the Russian sector of Berlin. The Communists contended the Representatives had violated the law by using an automobile equipped with a two-way radio. Ostertag said it was a "harrowing experience" to be held under armed guard. The Army and the State Department lodged protests which the Communists rejected.

#### FUND FOR REPUBLIC PROBE

Chairman Francis E. Walter (D Pa.) of the House Un-American Activities Committee Nov. 23 said his Committee was investigating the Fund for the Republic. (Weekly Report, p. 1198)

### EXECUTIVE BRIEFS

#### ECHO PARK DAM

Secretary of the Interior Douglas McKay Nov. 29 said his Department will not push for construction of an Echo Park Dam as part of the proposed Upper Colorado River storage project. Conservationists and several Congressmen from the Upper Colorado River Basin opposed the dam, said it would impair the Dinosaur National Monument. The water storage and power project was approved by the Senate in 1955. (Weekly Report, p. 845)

#### CODDAIRE RESIGNS

David J. Coddaire, 62, of the Subversive Activities Control Board, a Republican kept on the board by former President Harry S. Truman, Nov. 26 announced his resignation. "I just wanted to retire," he said.

#### NOMINATIONS

President Eisenhower announced the following recess appointment, subject to Senate confirmation:

Russell C. Harrington of Providence, R.I., a Republican, as Commissioner of Internal Revenue; Nov. 30.

## EDUCATION CONFERENCE BACKS MORE FEDERAL AID

United States educators, laymen, and government officials Dec. 1 wound up what was billed as the "greatest study in the annals of public education" with a plea for more federal aid for schools. (Weekly Report, p. 1211)

The question of federal aid was only one of the key topics debated in the four day White House Conference on Education. Others were building needs, school organization, teacher shortages, school aims, and how to maintain public interest in education.

Such side issues as whether the conference was "stacked," policy on drafting resolutions, and segregation flared up shortly after the meetings got underway Nov. 28.

### ADMINISTRATION'S REMARKS

President Eisenhower Nov. 28, in a filmed welcoming address, told delegates "if the Federal government doesn't step in with leadership and with providing credit and money where necessary there will be a lack of schools in certain important areas." Vice President Richard M. Nixon, in a formal welcoming address, said "we should recognize at the outset that some additional Federal activity and responsibility is inevitable and necessary...."

U.S. Commissioner of Education Samuel M. Brownell Dec. 1 said Mr. Eisenhower and Nixon meant "the federal government must do more than it has heretofore in terms of both leadership and financial assistance to advance the cause of education."

### FINANCING

#### A Dec. 1 report said:

"All states and territories and the District of Columbia should be eligible for federal funds but...they should be granted only on the basis of demonstrated needs."

"A substantial majority (of delegates) felt that some states do not have sufficient financial resources to take care of the essential needs of the schools."

"A very small minority was opposed to federal aid for education in any form."

"The delegates almost unanimously opposed any federal control over educational use of funds in state school districts."

"The large majority of the participants" opposed federal funds for parochial schools but "recognized the right of parents to educate their children in nonpublic schools."

"The people of America need urgently to re-examine the allocation of tax funds at all levels of government."

Constitutional restrictions on the bonding and taxing powers of state governments "should be eased to the extent necessary to provide an adequate program of education."

### BUILDING NEEDS

The school building report issued Nov. 30, said "it seems to be virtually impossible for most of the states to meet their school building needs" within the next five years. "Obstacles", according to the report, included obsolete building codes, lack of cooperative effort, failure of state laws to equalize tax values, and an almost complete dependence on property taxes.

### ORGANIZATION

The conference Nov. 30 recommended strengthening the Office of Education "in keeping with the importance of education to the nation." It said, however, that its work "should be confined to state level contacts, and not made directly with local boards except as mutually agreed by three levels."

### FACULTY NEEDS

To meet the teacher shortage, the conference Dec. 1 said communities should seek to increase the prestige of the profession, keep salaries high enough to offset the lures of other fields, and present job possibilities in an attractive way.

### AIMS

The conference's Nov. 29 report on "What Should Our Schools Accomplish?" called on all levels of government to share responsibility for providing free public education regardless of race, creed, or religion. The report added: "The fullest measure of local initiative and control should be maintained."

### MAINTAINING INTEREST

Conference Chairman Neil H. McElroy Dec. 1 said "we need steady, unremitting effort" to maintain interest in education. The report suggested stepped up programs by existing organizations such as parent-teacher groups and creating of new educational associations on local and national levels.

### SIDE ISSUES

**Stacking** -- As the conference opened McElroy denied "accusations that the conference is stacked in every direction," said, "personally, I don't know of its being stacked in any direction."

**Resolutions** -- McElroy Nov. 29 ruled out of order as "impractical" a motion made Nov. 28 by Mrs. Edmund D. Campbell, Virginia delegate, that the conference be allowed to vote on whether it wished to pass resolutions in the face of bans on floor debate and voting.

**Participation** -- Mrs. Agnes E. Meyer, Washington author and lecturer, Nov. 30 protested conference procedure, said "I consider this to be the worst example of the extreme mechanization of life that has ever been foisted upon us. It gives everyone the feeling of participation, although in reality they do not. If this pattern is accepted as a model for other conferences it will be extremely dangerous to freedom of expression."

**Segregation** -- Clarence Mitchell of the National Association for the Advancement of Colored People Nov. 29 asked the conference to disallow travel expenses for delegates from four Southern states. He said the states' legislatures had defied the Supreme Court's desegregation ruling. The Department of Health, Education, and Welfare ruled later in the day that expenses would be paid since the Court's ruling had "no bearing" on conference financing.

The Dec. 1 financial report said "one conference discussion table in 10 recommended that federal aid should be made available to states only for those districts certifying that they are conforming to the Supreme Court decision" prohibiting school segregation.



(Nov. 25-Dec. 1)

# Committee Roundup

## In This Section...

- John L. Lewis Testifies on Welfare Funds
- Two Committees Probe Security System
- Senate Hears Credit Curbs Debate

## Hearings

### CONSTITUTIONAL RIGHTS

C<sub>Q</sub> COMMITTEE -- Senate Judiciary Constitutional Rights Subcommittee.

RECESSED HEARINGS -- On the impact of security measures on guarantees of the First Amendment. (Weekly Report, p. 1244)

TESTIMONY -- Nov. 25 -- Clifford J. Hynning, Treasury Department attorney dismissed June 23, 1954, on security grounds, said two charges brought against him were dropped after a hearing, but he was fired, he said, because the hearing board did not believe him when he could not recall a 10-minute 1942 interview with an FBI agent.

Nov. 28 -- Novelist Kay Boyle said the State Department had accused her of being a Communist in security charges brought against her husband, Joseph M. Frankenstein, but had continued to use her books in overseas information libraries. She denied she ever had been a Communist or a member of a Communist front. She said that in response to a friend's request, she had contributed \$20 to a conference sponsored by an organization on the Attorney General's list of subversive groups.

Nov. 29 -- Chief Security Officer Jerome D. Fenton of the Department of Defense, said his Department's security regulations were "in complete harmony" with Executive Order 10450 setting up the Administration's security program. He said "inquiry into the area of kinsmen is done by every agency of government" regardless of whether it was spelled out in their regulations.

### SECURITY PROGRAM

C<sub>Q</sub> COMMITTEE -- Senate Post Office and Civil Service Government Employee Security Program Subcommittee.

RESUMED HEARINGS -- On federal employee security program. (Weekly Report, p. 1099)

TESTIMONY -- Dec. 1 -- Subcommittee Counsel Paul E. Hadlick said a staff study showed 3,241 of 3,586 "security risk" firings under the Eisenhower Administration actually were discharges under "regular Civil Service or normal departmental procedures." He said only 342 persons were fired under the Eisenhower security program executive order, one under a security order by ex-President Truman, and two for unknown reasons. Some of the 342, Hadlick said, were discharged for unsuitability -- excessive drinking or talking -- and not because of loyalty questions. Several, he said, were re-hired by their own agency or some other branch of the government.

### GENERAL MOTORS

C<sub>Q</sub> COMMITTEE -- Senate Judiciary Antitrust and Monopoly Subcommittee.

CONTINUED HEARINGS -- On General Motors. (Weekly Report, p. 1243)

TESTIMONY -- Nov. 28 -- Reginald J. Holzer of the Auto Repair Executives Associates, Chicago, said there was a "general feeling among our members that the giant manufacturers...are putting the squeeze on the independent shops." He said GM pressured its insureds to have repairs done by GM dealers.

Subcommittee Chairman Joseph C. O'Mahoney (D Wyo.) said auto companies could borrow money at interest rates only slightly above what the federal government paid for its borrowed funds. "It is clear that we are face to face with a concentration of economic power that is equal to the government itself," he said.

Holmes Baldridge, formerly with the Justice Department Antitrust Division, said GM and its financing arm, General Motors Acceptance Corp., should be divorced. He said there "always will be coercion" of dealers to finance through GMAC as long as the two units were affiliated.

Nov. 29 -- Executive Vice President Frederick J. Bell of the National Automobile Dealers Association said retail car dealers were far from independent businessmen. "Because of factory pressure, threat, and coercion, dealers engage in practices that are unwise and contrary to their business judgment," he said.

Nov. 30 -- J. Ed Travis, Jr., a Buick dealer in St. Charles, Mo., for 35 years, said he lost his franchise in 1955 because he refused to cut prices on new cars and make up the profit on repair jobs. GM "wanted us to pay all our expenses out of service and then give their autos away," he said. An Indiana University professor said the auto franchise system was "injurious not only to dealers but also to the public interest."

Dec. 1 -- Lee C. Anderson of Lake Orion, Mich., said GM cancelled his three auto franchises after he made a speech condemning cut-rate sales of cars to factory employees and GM executives.

### CREDIT CURBS

C<sub>Q</sub> COMMITTEE -- Senate Banking and Currency Housing Subcommittee.

HELD HEARINGS -- On the effect of federal credit curbs on housing. (Weekly Report, p. 959)

TESTIMONY -- Nov. 28 -- Chairman William McChesney Martin, Jr., of the Federal Reserve Board said federal credit curbs were aimed at keeping the national economy in balance, not to restrict any one industry such as housing.

President Thomas P. Coogan of Housing Securities, Inc., New York, said stiffer mortgage credit regulations for government-backed loans had "largely affected the lower income buying group.... We are doing a disservice to the lower income group and should get back to mass housing for the mass of Americans."

Nov. 29 -- Chairman Walter W. McAllister of the Home Loan Bank Board said the system's 11 regional

banks would "probably in a very short time ease up and make standby credit available."

RELATED DEVELOPMENT -- Nov. 25 -- Chairman John J. Sparkman (D Ala.) said home buyers using government-backed loans had been charged "excessive settlement costs" by banks or other institutions originating the loans. He said the Federal Housing Administration and the Veterans Administration should "tighten up on administrative regulations that cover these costs."

#### IMMIGRATION

COMMITTEE -- Senate Judiciary Immigration and Naturalization Subcommittee.

CONTINUED HEARINGS -- On immigration policies. (Weekly Report, p. 1242)

TESTIMONY -- Nov. 30 -- Paul G. Hoffman, former Foreign Aid Administrator, said the McCarran-Walter Immigration and Nationality Act of 1952 was losing friends for the United States throughout the world. He asked that immigrants be selected by "individual quality" instead of by the national origin quota system. An American Veterans Committee spokesman supported Hoffman's stand, but Crete Anderson of the American Legion backed the national origin quota system.

DEC. 1 -- Michigan Gov. G. Mennen Williams (D) said the national origins quotas were "repugnant...to the very essence and spirit of our national traditions." Williams asked approval of the Lehman-McNamara bill (S 1206), which would abolish the national origins quota and raise the number of immigrants by 97,000 a year.

Victor F. Wisskopf of the Federation of American Scientists said existing visa regulations for non-immigrant visitors "seriously interfere with the healthy development of American science."

#### LABOR WELFARE FUNDS

COMMITTEE -- Senate Labor and Public Welfare Subcommittee on Welfare and Pension Funds.

RESUMED HEARINGS -- On employee welfare funds. (Weekly Report, p. 364)

TESTIMONY -- Nov. 28 -- John L. Lewis, president of the United Mine Workers and its welfare and pension fund, said federal and state governments should employ existing laws to "prosecute the human jackals feeding on welfare funds." He said no new laws were necessary.

Witnesses affiliated with Amalgamated Local 286, United Automobile Workers (AFL) in Chicago, said its president, Angelo Inciso, operated the welfare fund and also was board chairman of the American Continental Insurance Co., which handled the money for the union members. They said Inciso deducts one dollar outright and another 4 percent for administration costs from the \$6.15 monthly premiums employers pay into the welfare fund for each union employee. Secretary-treasurer Anthony Doria of the local said he could not explain the fund's operation because he had not time to gather the records. Inciso did not answer the Committee's subpoena.

Nov. 29 -- Finance Chairman Enders M. Voorhees of the United States Steel Corp. said, "It seems to us there is much merit" in letting the states, not the federal government, supervise insurance and welfare programs.

Subcommittee Counsel Paul Cotter said General Motors had not cooperated fully when queried about its welfare program.

## COMMITTEE CALENDAR

### SENATE COMMITTEES

- Jan 15 Public Works -- Consider authorizing power development of the Niagara River.  
17 Interstate and Foreign Commerce -- Radio and television industry.

### HOUSE COMMITTEES

- Dec 7 Judiciary Antitrust and Monopoly Subcommittee -- Business advisory groups and workers without compensation. Continues Dec. 8, 9.

### JOINT COMMITTEES

- Dec 5 Economic Report Tax Policy Subcommittee -- Tax policy. Continues through Dec. 16.

Nov. 30 -- Vice President A.M. Randall of the Mutual Benefit Health and Accident Association of Omaha said brokers who sold group insurance made as much as 30 percent of the first year's premium in commission. He said that rate was changed in 1953 to a maximum of 20 percent of the first year's premium.

Cotter said companies which paid such sizeable commissions for their business must bear "some culpability" for any resulting abuses within the funds.

Dec. 1 -- A staff investigator said William H. Croland, formerly of the C.J. Simons Corp., Newark, N.J., had withheld \$164,000 in welfare insurance premiums to use as kickbacks to those helping him obtain new business. Simons said he did not know of the practice, according to the investigator.

RELATED DEVELOPMENTS -- Nov. 29 -- The Subcommittee voted to request the full committee to initiate contempt of Congress proceedings against Inciso for his failure to respond to a subpoena.

The Subcommittee voted to explore publicly the details of the GM welfare and pension funds despite company objections that it would reveal confidential information. Subcommittee Chairman Paul H. Douglas (D Ill.) said employees had a right to know "as a matter of equity."

#### TRUCKING

COMMITTEE -- Senate Small Business.  
BEGAN HEARINGS -- On Interstate Commerce Commission regulation of the trucking business.

TESTIMONY -- Nov. 30 -- Chairman John J. Sparkman (D Ala.) said fear of reprisal kept many small trucking firms from airing complaints against the ICC. James K. Knudson, Washington attorney and former ICC commissioner, said he advised clients not to appear before the Committee, not because of fear of retaliation but because their cases should be tried only before the ICC.

Dec. 1 -- Stanley N. Barnes of the Justice Department said the ICC "may well wish to survey" the necessity of restricting interstate trucking in areas where rail service was deemed adequate.



## Capitol Quotes

**AID TO EDUCATION** -- "In my judgment there is only one form of proper and genuine federal aid to education: reduction of the existing costs of federal government, making possible further sound reductions in federal taxes, and thereby increasing the potential tax support for the public schools in the states and local school districts without increasing the total tax burden of the American people...I shall oppose Washington hand-outs for education..." -- Rep. August E. Johansen (R Mich.) Nov. 30 release.

"Education is primarily a local and state responsibility. It is my feeling that the federal government should provide assistance only if both the local community and the state have exhausted all possibility of meeting school needs. Federal control over any funds provided for educational purposes should be limited to making certain funds are spent for the purposes intended by Congress." -- Sen. Frederick G. Payne (R Maine) Dec. 1 newsletter.

**CULTURAL EXCHANGE** -- "One of the weakest links in the United States defense against Soviet Russia is in the general field of cultural relations with other nations...The ultimate outcome of the struggle between the USSR and the West will be decided by ideas and the side which wins will do so because it most successfully projects its ideas and ideals to the rest of the world. The Administration estimates the Communist bloc spends over \$3 billion a year on direct propaganda alone, yet it inexplicably requested the Congress to appropriate only \$5 million to the President's Emergency Fund for participation in international affairs...We...underestimate the power of the USSR's drive for political, economic, and social goals." -- Rep. Frank Thompson, Jr. (D N.J.) Nov. 25 address.

**COTTON** -- "California's high grade (cotton) product finds its way immediately into trade channels. Virtually all of the cotton in storage is from other sections of the country. Yet...growers of our state must accept depressed support levels and reduced acreages because of the existence of the surplus... The...situation is becoming grave and before it can be stabilized our foreign markets must be recaptured or new outlets found...Perhaps a two price system... is a part of the solution." -- Rep. Harlan Hagen (D Calif.) Dec. 1 release.

**OLDER WORKERS** -- "Employers throughout the nation have made increasing use of age restrictions, and in filling new or vacant jobs they often accept only those under 45, or in some cases under 35...The State of Indiana took a definite step in facing the problem when the legislature made provision for...a commission to study the problems of the aged and aging...There is no clear line between young and old, and there should be no antagonism based on such a flimsy distinction...Young and old alike have much to gain by destroying this fetish which puts the stamp of 'too old' on millions of men and women still in the prime of life." -- Rep. William G. Bray (R Ind.) Dec. 1 release.

**FARM VOTE** -- "The elements of an uprising are right here now in several western states. Washington, Idaho, Montana, Colorado, South Dakota, Minnesota, Wisconsin, Missouri, Iowa and North Dakota...The farmers are going to vote anti-Republican, and by the time of the election the Republicans who have stood solidly with them will be running on a ticket that says Republican, and the farmers will not take time to sift out the good ones... The farmers have an idea that the Democrats may help them, and are satisfied that the Republicans will not." -- Rep. Usher L. Burdick (R N.D.) Nov. 24 release.

**REFUNDS** -- "Our Government Printing Office is a big operation. Some people say it turns out too much printed matter. Nevertheless, for the third successive year, the head of this office has turned back to the U.S. Treasury a good-sized chunk of the funds allotted to his care.... At the same time, the working force...was reduced by 800, printing and offset work costs were lowered, and wage increases for...the staff were increased. All of which shows that it can be done -- if there's a will to do it." -- Sen. George H. Bender (R Ohio) Dec. 3 newsletter.

**HARD MONEY** -- "It looks as if we may go through a repetition of the 1953 hard money fiasco...The nation's farmers and small businesses...are being penalized because of the fiscal irresponsibility of the Republican Administration... It is the height of political dishonesty to talk about planned revenue reductions while severely tightening money and credit at this time presumably to fight inflation." -- Rep. Wright Patman (D Texas) Nov. 18 release.

**School Days** Officials and laymen from President Eisenhower down participated in a giant seminar to try to solve the nation's school problems. The delegates to the White House Conference on Education did their homework in small groups, then submitted reports to the whole conference. Results were general agreement that the federal government must dole out more money for schools, a split on whether U.S. aid should go to districts which practiced segregation, and a request that laws be changed so states could borrow and tax for school purposes more easily. (Page 1254)

## Capitol Punishment

Two Republican Representatives and a Democratic Senator announced they would not seek re-election because, they indicated, official life was far too hectic. Rep. Shepard J. Crumpacker of Indiana, three-term Republican, said he wanted to "get established in something more stable and permanent than political office." Sen. Alan Bible, Nevada Democrat who was elected in 1954 to fill the term of his law partner, the late Sen. Pat McCarran, said he preferred "the quieter role of private life." Rep. Clifford R. Hope of Kansas, ranking Republican on the House Agriculture Committee, said he would trade the seat he has held since 1926 for private law practice. (Page 1250)

## Security Figures

A Senate Post Office and Civil Service subcommittee said Eisenhower Administration figures on security risk firings did not add up. The subcommittee counsel said only 342 out of 3,586 persons reported fired as security risks were dismissed for that reason. And, he added, many of those fired were later rehired by the government. Another subcommittee heard testimony from persons who said they were hurt for no reason by the security program. (Page 1255)

## WOCs Role Limited

President Eisenhower decreed that businessmen serving the federal government without compensation (WOCs) can advise when they sit in on government meetings but cannot push specific recommendations. He also ruled they cannot even sit in on conferences which relate to their private businesses. The Democratic reaction was "It's about time." (Page 1252)

Stories here are summaries of the week's events. For Weekly Report pages with more details, check Contents on the cover.

## Calling All Lobbyists

A Senate subcommittee has sent out questionnaires to find out how the lobbyists like the law governing them. Lobbyists have been asked to put their gripes in writing so the Senate can come up "with some sensible and workable ground rules." Hearings on the existing law have been promised early in 1956 by the subcommittee chairman. (Page 1249)

## Dixon-Yates

The Atomic Energy Commission ruled that its contract with Dixon-Yates was illegal because one of the negotiators was advising both the government and the utility company in the deal. The AEC said Dixon-Yates was not entitled to any damages but the company contended it was. Said Edgar H. Dixon: "We will promptly file an appropriate action in the courts and are confident of the outcome." Sen. Estes Kefauver, Tennessee Democrat who investigated the contract, said Dixon-Yates was still a live issue. He promised to hold hearings to explore the "criminal side" of the negotiations. The conflict of interest charges centered on Adolphe H. Wenzell, a banker who was advising the government while his firm was advising the utility company. (Page 1252)

## Boomerang

The 1956 Republican campaign slogan, "Everything is booming except the guns," could boomerang in 200 counties scattered through 27 states. These localities are included in the 19 major and 74 smaller labor market areas which, according to the Department of Labor, are still suffering 6 percent or more unemployment. A Congressional Quarterly study shows that a total of 79 Congressional districts are involved -- 43 held by Democrats, 36 by Republicans. As members of the party in power, it is the GOP incumbents who are in trouble. (Page 1245)